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P 032251Z MAR 83 ZEX  
 FM SECSTATE WASHDC  
 TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS PRIORITY  
 AMCONSUL SHANGHAI  
 HICOMTERPACIS SAIPAN MARIANA ISLANDS 0000  
 AMEMBASSY PARIS  
 USMISSION GENEVA  
 INFO CINCPAC HONOLULU HAWAII PRIORITY 0000  
 GOVGUAM 0000  
 JCS WASHDC 0000  
 FBIS WASHDC

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PARIS FOR BIGELOW, GENEVA FOR BECK

E.O. 12356: N/A  
 TAGS: SCOM, XE, US  
 SUBJECT: MARCH 3 EA PRESS SUMMARY

FBIS FOR CHINA BRANCH

1. CHINA

REUTER (BEIJING) REPORTS ZHANG AIPING, WRITING IN "RED  
 FLAG" ARTICLE PUBLISHED THURS, SAYS PRC SHOULD  
 CONCENTRATE MIL SPENDING ON DEVELOPING WEAPONS SUCH AS  
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GUIDED MISSILES/NUKE BOMBS. NOTES DEFMIN ADDED THAT  
 CHINA COULD RELY ONLY ON ITSELF TO DEVELOP SUCH  
 WEAPONRY--"WHAT WE CAN BUY FROM AROAD WILL NOT BE THE  
 ADVANCED EQUIPMENT, AND IF WE DEPEND SOLELY ON IMPORTED  
 WEAPONS WE CANNOT POSSIBLY ACHIEVE" NATL DEF  
 MODERNIZATION, "NOR CAN WE AVOID CONTROL BY OTHERS."

REUTER (BEIJING 3/2) REPORTS WEDS XINHUA ANNOUNCED CHINA  
 AND IVORY COAST HAVE ESTABLISHED DIPLO RELS AT

930-3584

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AMBASSADORIAL LEVEL/THAT PRC STATED TAIWAN INALIENABLE PART OF CHINA'S TERRITORY, AND THAT IVORY COAST TOOK NOTE OF THIS DECLARATION.

## 2. JAPAN

REUTER (WASHTIMES)/BSUN'S WOODRUFF- (BOTH TOKYO)--REPORT GOJ WEDS DENIED ALLEGATIONS ARMED FORCES MEMBERS PLOTTED COUP IN '80. NOTE CHIEF CABINET SEC GOTODA TOLD NEWS CONF GOJ IS CONVINCED, AFTER THOROUGH INVESTIGATION INTO ALLEGATIONS BY DIET-OPPOSITION MEMBER NARASAKI, THERE WAS NO SUCH ATTEMPT. NARASAKI, WHO FIRST MENTIONED ALLEGED PLOT IN CMTE MEETING FEB 21, AND WHO NICKNAMED "BOMBSHELL" BECAUSE OF PAST REVELATIONS OF DEF SECRETS, CLAIMED HIS INFORMANTS WERE ACTIVE SR OFFICERS; THAT ABOUT 120 OFFICERS/MEN GIVEN ONLY LIGHT PUNISHMENTS, BECAUSE AUTHORITIES FEARED PUBLICITY WOULD DISGRACE DEF ESTABLISHMENT.

REUTER STATES DEFMIN'S UENO, SUPPORTING GOJ DENIAL, TOLD REPORTERS 190 SR OFFICERS, ASSIGNED AT TIME TO UNITS LINKED TO ALLEGED COUP ATTEMPT, HAD ALL DENIED PRESENCE OF COUP RUMORS OR PLOTS; THAT NO EVIDENCE FOUND OF PERSONNEL TRANSFERS BEING USED AS PUNISHMENT WITHIN

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FORCES.

WOODRUFF REPORTS GOTODA SAID INVESTIGATION HAD BEEN UNDERTAKEN DISPEL ANXIETY AMONG PEOPLE/RESTORE "SELF-DEFENSE FORCES' HONOR." ALSO STATED EURO MIL ATTACHE DECLARED IDEA OF HANGING COUP ON NAPALM AT PM'S RESIDENCE SEEMS NAIVE/FARFETCHED, BUT CANNOT BE DISMISSED OUT OF HAND BECAUSE NARASAKI HAS BEEN RIGHT SOMETIMES.

UPI (TOKYO)/USA TODAY REPORT TOYOTA VICE CHRMAN YAMAMOTO WEDS CHALLENGED UAW MEMBERS' DEMANDS FOR PRIORITY IN GETTING JOBS AT NEW TOYOTA-GM FACTORY IN FREMONT, QUOTING HIM THAT "LABOR MANAGEMENT IS THE KEY TO SUCCESS OF THE (GM-TOYOTA) VENTURE, AND WE HAVE NO INTENTION OF GIVING PRIORITY TO FORMER EMPLOYEES OF GM. WE HAVE NO PREDJUDICE TO UAW MEMBERS. WE WILL HIRE VERY DILIGENT AND SUITABLE PEOPLE." INDICATES REPORTS FROM FREMONT SAID UAW VOTED SUN FIGHT FOR STRICT SENIORITY REHIRING/OPPOSE SUBSTANDARD WAGE PROPOSALS WHEN PLANT REOPENS.

## 3. KOREA

LATIMES (3/2) CARRIES AP PHOTO OF SEOUL MAYOR KIM SUNG BAE ADMIRING PINEAPPLE FROM HAWAII GIVEN HIM BY MGEN

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## 5. NAM SUMMIT/CAMBODIA

REUTER'S MELUNSKY (NEW DELHI 3/2) REPORTS VN/NON-COMMUNIST SEASIAN COUNTRIES AGREED WEDS THAT CONTENTIOUS QUESTION OF WHO REPRESENTS CAMBODIA WOULD BE TACKLED BY FONMINS/KEPT OUT OF NAM SUMMIT. NOTES QUESTION DUE TO BE RAISED AT MEETING OF ;SR NAM OFFICIALS WEDS, BUT ADDS OFFICIALS SAID THIS WAS OPPOSED BY INDONESIA/MALAYSIA/SINGAPORE. NOTES DIPLOSSAID SUMMIT HOST INDIA WOULD BE PLEASED TO AVOID SUMMIT DISPUTE OVER CAMBODIA. QUOTES SINGAPORE'S T KOH THAT INDIA HELPED BRIDGE GAP BETWEEN VN/ASEAN ON WHEN TO DEBATE ISSUE. REPORTS KOH SAID ASEAN DELS HAD ASSURED INDIA THEY WOULD DISCUSS MATTER AT FONMIN LEVEL/WOULDN'T ALLOW ISSUE SPILL OVER INTO SUMMIT STARTING MON. HOWEVER, MELUNSKY POINTS OUT, WHATEVER FONMINS DECIDE MUST BE RATIFIED BY SUMMIT.

REUTER'S ROGERS (NEW DELHI) SAYS QUESTION OF WHO SHOULD REPRESENT CAMBODIA BECAME MORE CONTENTIOUS ISSUE THURS. NOTES MALAYSIA, LEADING ATTEMPTS BY NON-COMMUNIST SEASIAN NATIONS TO HAVE SIHANOUK INVITED TO SUMMIT, TOLD FONMINS HIS ABSENCE WOULD BE TRAGEDY. QUOTES MALAYSIA'S GHAZALI THAT HAVANA SUMMIT DECISION LEAVE CAMBODIAN SEAT VACANT WAS IRREGULAR/ARBITRARY.

## 6. PAPUA-NEW GUINEA

REUTER (PORT MORESBY) SAYS NEARLY 200 FON WOMEN/CHILDREN, EVACUATED FROM THEIR HOMES AT REMOTE PNG GOLD MINE WEDS AFTER UNREST AMONG LOCAL TRIBESMEN, TO BE FLOWN BACK THERE FRI, MINE OFFICIALS SAID THURS. CITES STATEMENT BY PM SOMARE WEDS THAT REMOVAL OF FAMILIES -- MOSTLY AMERICAN/AUSTRALIAN/BRITISH -- WAS "OVER-REACTION" BY COMPANY. NOTES POLICE REINFORCEMENTS HAVE BEEN SENT TO OK TEDI MINE AREA IN MIDDLE OF RAIN FOREST NEAR

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INDONESIAN BORDER.

REUTER QUOTES MINE OFFICIAL THAT THERE COMPLETE CALM FOLLOWING PROTEST DEMONSTRATIONS OVER WK-END BY UNEMPLOYED YOUTHS SEEKING JOBS/WORKERS DEMANDING BETTER JOB PROSPECTS. SAYS THERE 3000 WORKERS AT MINE/ABOUT 1/4 ARE SKILLED FOREIGNERS INVOLVED IN CONTRUCTION IN PREPARATION FOR START OF PRODUCTION IN MIDDLE OF NEXT YR. NOTES WOMEN/CHILDREN FLOWN FROM MINE AREA TO CAPITAL WEDS.

COMMENT AND ANALYSES

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## 7. JAPAN

WASHTIMES (3/2) CARRIES PARTIAL TRANSCRIPT EXCLUSIVE INTERVIEW WITH AMB OKAWARA, DURING LUNCHEON WITH PAPER. PRINCIPAL POINTS MADE BY AMB RESPONDING TO QUESTIONS INCLUDE:

--STEEL: JAPANESE INDUSTRY VEXED OVER WHY US STEEL INDUSTRY DECIDED REFILE SUIT, NOTING USTR BROCK DECIDED INDUSTRY SHOULD WITHDRAW ITS FILING SO HE COULD HAVE FRUITFUL DISCUSSION W/JAPANESE DURING TOKYO VISIT. STATES BROCK HAD FULL DISCUSSION WITH MITI MIN; SEEMED SATISFIED WITH GOJ EXPLANATION. ADDS JAPANESE STEEL MILLS FEEL THEY BEHAVED MOST DECENTLY/THERE NO BASIS FOR CHARGES/THEY HAVE BEEN CAREFUL NOT DUMP THEIR PRODUCTS ON US MARKET.

--MEAT IMPORTS: STATES JAPANESE POSITION IS THEY MADE AGREEMENT W/STRAUSS DURING TOKYO ROUND TRADE NEGOTS COVERING PERIOD UP TO MAR 1984; GOJ CONSIDERS JAPANESE UNCLASSIFIED

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SIDE HAS HONORED THAT COMMITMENT. ON BEEF/CITRUS IMPORTS, THERE IS DIFFICULT POL QUESTION; WHILE JAPANESE INDUSTRIES MAY NOT BE EFFICIENT AS IN AMERICA, AT SAME TIME, IT IS POLITICALLY/SOCIALLY ESSENTIAL MAINTAIN FARMING COMMUNITY; THUS, IT NOT REALISTIC CONSIDER COMPLETE LIBERALIZATION OF BEEF/ORANGE IMPORTS.

--COVERAGE BY JAPANESE PRESS IN US: SAYS VOLUME TREMENDOUS, BUT MEDIA TENDS FOCUS ON SOMETHING EXTRAORDINARY; THUS, SUCH HEAVY COVERAGE TENDS GIVE JAPANESE PUBLIC IMPRESSION THINGS NOT WORKING SMOOTHLY IN EVERY FRONT. REMARKS EVEN THOUGH THERE TROUBLE FROM TIME-TO-TIME, BASIC US/JAPAN RELATIONSHIP HAS BEEN WORKING MORE SMOOTHLY/MORE CLOSELY, AS COMPARED TO 10-15 YRS AGO.

--SOVIET BUILDUP IN KURILES/VIEW OF RUSSIAN INTENTIONS: SAYS STATIONING OF DIVISION-STRENGTH FORCE, WHICH SOVIETS DID ILLEGALLY, PROVIDES IMMEDIATE SENSE OF THREAT TO JA

PANESE; WHILE NOT KNOWING SOVIET INTENTIONS IN STATIONING SUCH LARGE FORCES THERE, SUSPICION IS ONE EFFECT WOULD BE IMPOSE SOME SENSE OF THREAT/ALSO SERVING SOVIETS' STRATEGIC NEED IN THEIR OWN VIEW.

--ASSUMPTION OF MORE DEF RESPONSIBILITY, INCLUDING AIR/SEA LANES; IMPLICATION ON BUDGET/DOUBT GOJ COULD BEGIN ASSUME THOSE RESPONSIBILITIES BEFORE 1990'S

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RESPONDS THAT FIRST QUESTION IS TO WHAT EXTENT JAPAN SHOULD BE ENGAGED IN SEA LANES PROTECTION; THAT EARLIER THERE NO CLEAR IDEA BY GOJ ON THAT SCORE. SAYS CURRENTLY GOJ SAYING PUBLICLY COMMITMENT WILL BE 1000 NAUTICAL MILES FROM BAY OF TOKYO/BAY OF OSAKA TO SE/SW SEA TRAFFIC ROUTES. STATES HE MENTIONED 1990 AS ONE OF TARGETS; BUT IN ORDER PERFORM MISSION FULLY/EXTENT TO WHICH JAPAN SHOULD DEVELOP ITS DEF CAPABILITY IS ANOTHER SUBJECT REQUIRING DETAILED/THOROUGH STUDY/CONSIDERATION.  
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--NAKASONE'S STATEMENT (AS REPORTED BACK TO US) TO EFFECT HIS GOVT WOULD SUPPORT US SHOULD WE FEEL IT NECESSARY

EFFECT NAVAL BLOCKADE OF STRAITS IN EVENT OF MENACING SOVIET POSTURE--WHICH SEEMED CONTRADICT DEFMIN STATEMENT: STATED HE THOUGHT WHAT PM/DEF MIN SAYING PROBABLY IS THAT JAPAN SHOULD BE PREPARED ASSUME ROLE OF PROTECTING STRAITS, SO LONG AS IT IS IN EMERGENCY SITUATIONS THREATENING JAPAN'S OWN SECURITY; THAT IT MEANS ONLY WHEN JAPAN'S SECURITY IS THREATENED BY DIRECT/IMMEDIATE THREAT FROM OUTSIDE, JAPAN SHOULD BE PREPARED.

--DIFFERENCE IN DEF MIN DEFINITION THAT THREAT WAS ATTACK ON JAPAN, WHILE NAKASONE SEEMED EXPAND TO EMERGENCY IN AREA WHICH COULD THREATEN JAPAN'S SECURITY: REPEATED CONSTITUTIONAL LIMITATIONS THAT PROHIBIT JAPAN'S ENGAGEMENT IN ANY KIND OF SECURITY AS COLLECTIVE SECURITY OPERATION OR EFFORT; THUS, WHAT THEY CAN DO UNDER CONSTITUTION IS CONFINED TO SELF-DEF; NOT MORE THAN THAT.

ALSO, AMB SAID CHINESE HAVE BEEN TELLING THEM GOJ BELIEVES SOVIET STILL HEGEMONISTIC COUNTRY; THAT WHATEVER SOVIETS SAY, PRC CANNOT BELIEVE UNLESS THEY DEMONSTRATE SUCH CHANGED POLICY BY THEIR ACTIONS, NOT BY WORDS. ADDED AS LONG AS SOVIETS EXERCISE HEGEMONISM, PRC CANNOT BELIEVE THEM.

TIMES THEN STATED PRC ALSO SAYS SAME ABOUT US, ASKING OKAWARA WHETHER THEY USED SAME WORD ABOUT US; TO WHICH AMB REPLIED, "SOMETIMES."

TIMES THEN TRIED SHARPEN QUESTION ABOUT TAIWAN, ASKING  
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WHETHER GOJ CARES WHAT HAPPENS TO TAIWAN, WHETHER IT IS

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INTERNAL AFFAIR; IF PRC WANTS TAKE OVER TAIWAN BY FORCE--IS THAT NOT OF CONCERN TO GOJ? OKAWARA REPLIED THAT JAPANESE CERTAINLY DO NOT LIKE THAT SUCH A FORCE SHOULD BE USED."

BOSTGLOBE'S CHAPMAN (TOKYO 2/27) REPORTS, TO AMAZEMENT/CONSTERNATION OF GOJ OFFICIALS, US IS WAVING RED FLAG ABOUT YET ANOTHER SUPPOSED THREAT TO WORLD TRADE--STEMMING FROM JAPAN'S OWN PLAN FOR SALVAGING DEPRESSED INDUSTRIES. ADDS SO FAR "UNCLE SAM" MERELY WAGGING FINGER/ISSUING OBLIQUE WARNINGS; WHILE JAPAN, AS USUAL, PLEADING INNOCENT BUT ALSO DISPLAYING IRRITATION AT WHAT MANY REGARD AS ANOTHER -INTRUSION INTO JAPANESE WAY OF DOING BUSINESS BY GOVT BLESSING.

CHAPMAN STATES AT CORE OF STILL-MUTED ARGUMENT IS JAPAN'S NEW 5-YR PLAN FOR REVIVING 7 INDUSTRIES THAT HAVE FALLEN ON HARD TIMES, EITHER BECAUSE OF HIGH ENERGY COSTS OR WORLD-WIDE RECESSION. EXPLAINS SIMPLE PLAN IS SIMILAR TO ONE ADOPTED IN '78 WITHOUT ANY OUTCRY FROM ACROSS PACIFIC--INDUSTRIES WILL BE EXEMPT FROM ANTI-TRUST LAWS SO THEY CAN PLAN OWN SURVIVAL. STATES THEY CAN AGREE CUT DOWN EXCESSIVE PRODUCTION CAPACITY/SHARE EQUITABLY WHAT MARKET STILL EXISTS THROUGH JOINT PRODUCTION SCHEMES/JOINT VENTURES. SAYS, IN PROCESS, THEY CAN COUNT ON RECEIVING GOVT LOANS/ANTI-MONOPOLY LAW EXEMPTION/TAX CREDITS/EXTRA DEPRECIATION ALLOWANCE.

ACCORDING CHAPMAN, WARNING SHOT FIRED 2 WKS AGO BY USTR BROCK, WHO LET MITI KNOW IT BEING CAREFULLY WATCHED, SAYING, IN EFFECT, IF NEW PLAN HAD EFFECT OF CREATING TRADE RESTRICTIONS THERE COULD BE TROUBLE. BELIEVES US CONCERN -IS STRONGEST OVER PLAN TOLERATE CARTELS AMONG AILING COMPANIES.

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CHAPMAN NOTES JAPANESE VIEW US FRETTEING OVER CARTELS WITH SOMETHING LESS THAN AMUSEMENT. POINTS OUT ALSO REAGAN ADMIN HAS YET SPELL OUT PRECISELY WHAT IT WILL OBJECT TO/WHAT IT WILL ACCEPT IN NEW PLAN. SUGGESTS ITS FINGER-WAGGING TACTICS APPARENTLY REFLECT NEW TENDENCY AMONG ADMIN'S LAISSEZ-FAIRE PURISTS TO OBJECT TO ANY FORM OF GOVT INTERVENTION THAT MIGHT CONCEIVABLY HAVE EFFECT OF REDUCING US EXPORTS. SAYS TO THOSE WHO SPECIALIZE IN TRYING FATHOM WHICH WAY REAGAN'S TRADE POLICY WILL TURN NEXT, MESSAGE BETWEEN LINES SEEMS OMINOUS. ASKS: WILL WASHDC NEXT OBJECT TO ANY COUNTRY'S INTERNAL INDUSTRIAL POLICY THAT MIGHT HAVE EFFECT OF MAKING INDUSTRY STRONG ENOUGH TO BATTLE FOR (I.E. US) IMPORTS? WILL IT INSIST ON COUNTER-MEASURES BAR IMPORTS FROM OFFENDING NATION?

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WILL IT ALL END IN YET ANOTHER SPIRAL OF PROTECTIONISM  
ADMIN SO FREQUENTLY WARNS AGAINST?

CHAPMAN STATES US OFFICIALS INSIST WASHDC'S POLICY HAS  
NOT YET GONE SO FAR, BUT QUOTES WELL-INFORMED OFFICIAL  
THAT "WHAT WE ARE SAYING TO JAPAN IS THAT WHAT IT IS -  
DOING IS OK SO LONG AS IT HAS NO EFFECT ON TRADE."  
REMARKS THAT SOUNDS HARMLESS, UNTIL ONE RECALLS-TRADE  
REPORT'S WARNING THAT ALMOST ANY INDUSTRIAL POLICY HAS  
SOME EFFECT ON TRADE. ADDS BROCK/OTHERS SO FAR HAVE MADE  
ONLY 1 THING CLEAR--THEY WILL BARK LOUDLY IF JAPAN  
DIRECTLY/VISIBLY TURNS ITS PLAN INTO FORM THAT  
DISCOURAGES IMPORTS. BELIEVES THERE SOME REASON BE  
SUSPICIOUS -- JAPAN ONCE CONSIDERED LEVYING FEE ON  
IMPORTED ALUMINUM, PROCEEDS TO BE USED REVIVE DOMESTIC  
ALUMINUM INDUSTRY -- BUT IDEA WAS DROPPED.

CHAPMAN OBSERVES FEW YRS AGO JAPAN WAS HELD UP BY REST OF  
WORLD AS MODEL FOR OTHER NATIONS TO COPY IN EFFORTS  
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RESTRUCTURE THEIR INDUSTRIAL BASE BY WEEDING OUT FAILING,  
UNCOMPETITIVE COMPANIES. SAYS TODAY, AS JAPAN BEGINS 2ND  
5-YR RESTRUCTURING PLAN, IT IS VIEWED FROM ABROAD MORE  
WITH SUSPICION THAN ADMIRATION. ADDS USG USED TO MARVEL  
AT SLIMMING-DOWN ACHIEVEMENTS--NOW IT FINDS, IN THAT  
SUCCESS, SEEDS OF YET ANOTHER TRADE WAR.

UAW'S FRASER LATIMES (3/2) SAYS IMPORTANT STEP TOWARD  
LONG-SOUGHT GOAL OF UAW WAS TAKEN WHEN GM/TOYOTA BEGAN  
GROUNDWORK FOR JOINT VENTURE; THAT FOR MANY YRS UNION HAS  
BEEN URGING TOYOTA LOCATE SOME OF ITS PRODUCTION IN US,  
BECAUSE OF BELIEF ALL MAJOR MULTINATL AUTO COMPANIES HAVE  
RESPONSIBILITY PUT SOME CAPITAL WHERE THEIR MARKET  
IS/CREATE SOME JOBS WHERE THEIR SALES ARE. STATES WHILE  
UNION LOOKS FORWARD TO ENTERING TALKS WITH GM-TOYOTA ON  
WHOLE RANGE OF ISSUES, INCLUDING HIRING  
PROCEDURES/POLICIES, THERE NO ILLUSION ABOUT BROADER  
IMPLICATIONS OF DEAL. ASSERTS AUTO TRADE IMBALANCE  
W/JAPAN NOT PANACEA/NOT END IN ITSELF, ONLY BEGINNING.  
MAINTAINS, IN FACT, DEAL MERELY REINFORCES CASE FOR  
DOMESTIC-CONTENT LEGISLATION FOR AUTOMAKERS AS PART OF  
BROADER INDUSTRIAL POLICY.

## 8. CHINA

WASHTIMES' NEILAN (BEIJING -- FOURTH OF 10 ARTICLES) SEES  
SINO-US RELS COMING TO "TURNING POINT,...PROBABLY THIS  
YEAR." SAYS CHINESE SEEMED IMPRESSED WITH SHULTZ'S  
"ATTENTIVENESS"/"STRAIGHTFORWARD ARTICULATION" OF US  
POSITION ON TAIWAN; BUT IF SEC. IS GOING TO GET A CHANCE



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TO USE CHOPSTICKS HERE AGAIN"--POSSIBLY DURING REAGAN VISIT--"THEN THERE IS GOING TO HAVE TO BE SOME MOVEMENT IN THE BILATERAL TIER."

TO NEILAN, "GOOD GAUGE" OF WHETHER SINO-US RELS "IS GETTING OFF THE DIME" WILL BE WHETHER ZHAO ZIYANG "PICKS UNCLASSIFIED

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UP ON" PRES' INVITATION VISIT WASHDC IN JUNE OR SEPT THIS YR. SAYS PREMIER/DENG/OTHER PRC LEADERS "WILL PROBABLY NIX" SUCH VISIT IF US CONTINUES MAKE "HIGH-POWERED ARMS SALES" TO TAIPEI. SEES GESTURE OF SELLING ISLAND OLD AIRCRAFT AS "ALMOST CHINESE-LIKE INSCRUTABLE GESTURE" ON US PART.

NEILAN ALSO SEES "OTHER MATTERS BEFORE THE HOUSE THAT DEMAND ATTENTION AND EFFORT." SAYS ONE OF BIG PROBLEMS IS "LACK OF SOPHISTICATION" ON PART OF CHINA'S "AMERICA WATCHERS" ON WAY US POLICY FORMULATED, AND CONGRESSIONAL LOBBYING PROCESS. FINDS TAIWAN'S REPS "MILES AHEAD IN THIS REGARD." POINTS OUT BEIJING "HAS PLACED HEAVY EMPHASIS" ON "FRIENDSHIP" WITH NIXON/KISSINGER, AND IN "GETTING TO KNOW" SHULTZ AND ENTOURAGE. BUT CONTENTS PRC RESPONSE TO RECENT TEXTILE QUOTA ISSUES/WORDING OF BEIJING'S "AIDE MEMOIRE" (PROTESTING US COURT RULING THAT PRC IS IN DEFAULT ON IMPERIAL RR BONDS), BOTH "BETRAYED A LACK OF UNDERSTANDING OF AMERICAN PROCESSES."

NEILAN RATES ZHANG WENJIN "GOOD APPOINTMENT," SINCE AMB IS "MUCH MORE OF A KEY FIGURE" IN SINO-US RELS/WILL BE "MUCH MORE ACTIVE AROUND WASHINGTON" THAN WAS CHAI ZEMIN. ADDS THAT ZHANG WILL HAVE "GOOD ADVISER" IN JI CHAOZHU/SAYS ONE KEY MAN IN PRC FOREIGN MINISTRY ON SINO-US RELS IS VICE MINISTER HAN XU--WHO "HAS MORE APPRECIATION OF THE AMERICAN POLICY PROCESS THAN MOST OF THE OTHERS." SAYS FACT THAT XU/ZHANG ARE ON "PICK UP THE PHONE" BASIS WITH DENG, MEANS COMMUNICATION SHOULDN'T BE PROBLEM IN NEW EFFORT AT PICKING UP MOMENTUM IN US/CHINA RELS.

NEILAN SAYS "TOO LITTLE HAS BEEN WRITTEN ABOUT THE US' DISTINGUISHED AMB- TO CHINA." STATES PRESENCE IN BEIJING UNCLASSIFIED

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OF HUMMEL, DOS' "SENIOR SINOLOGIST, WILL GIVE ANOTHER BOOST TO CLARITY OF COMMUNICATION" IN RELS. SAYS "ONE CONCEPT THAT SEEMINGLY HAS BEEN PLACED ON THE SHELF, FOR THE TIME BEING AT LEAST, IS ANY (SINO-US) STRATEGIC

PARTNERSHIP" AGAINST SOVIET. ADDS, HOWEVER, THAT, BASED ON COMMON INTERESTS, ANY IMPROVEMENT IN SINO-US RELS THIS YR "WILL HAVE STRATEGIC IMPLICATIONS THAT WILL BE FELT STRONGLY IN MOSCOW."

IN 3/2 INSTALLMENT, NEILAN NOTES HOW MAO'S "GHOST HAUNTS CHINA'S POLITICS OF SUCCESSION"; 3/1 ARTICLE OBSERVES CHINA "PUSHES TO MODERNIZE, BUT PROBLEMS CLOUD DRIVE."

NYT'S WREN/CHING (WSJOURNAL)--BOTH BEIJING--NOTE MARSHAL YE TO QUIT. WREN OBSERVES IT MAY OCCUR "IMMEDIATELY, BECAUSE HE HAS GROWN TOO FRAIL TO CONDUCT HIS OFFICIAL DUTIES."

CHING ADDS THAT YE IS SUPPORTED BY AIDES WHENEVER HE ATTENDS OFFICIAL FUNCTIONS/HAS TO BE RAISED OUT OF CHAIR, PROPPED UP FOR PLAYING OF NATL ANTHEM. NOTES YE CONSIDERED TO LEFT OF DENG--HIS WITHDRAWAL FROM POL SCENE MAY MAKE IT EASIER FOR DENG PUSH THROUGH CHANGES IN PLA, OFTEN THOUGHT OF AS LEFTISTS' STRONGHOLD.

#### 9. CHINA/VIETNAM/CAMBODIA

CSMONITOR'S QUINN-JUDGE (HANOI) SUGGESTS SRV APPEARS SHOWING INCREASED INTEREST IN BETTER RELS WITH US,

ACCORDING FON DIPLOS IN HANOI. SAYS 1 SUBDUED BUT FRIENDLY SIGNAL TO US CAME AT LAST MONTH'S SUMMIT OF INDOCHINA OFFICIALS; NOTES FINAL DOC OF MEETING CITES "GREAT IMPORTANCE" 3 COUNTRIES ATTACH TO FRIENDSHIP WITH AMERICAN PEOPLE/GOES ON EXPRESS DESIRE FOR NORMALIZED RELS WITH WASHDC. BUT QUOTES SOURCE IN HANOI CLOSE TO UNCLASSIFIED

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VIETS WHO SEES STUMBLING BLOCK, SAYING: "IT WOULD BE NICE TO SEE THE US MOVING SLIGHTLY AWAY FROM ITS PRESENT ATTITUDE OF PARALLELING CHINESE POLICY IN SOUTHEAST ASIA." NOTES SOURCE ADDED: "IF THE AMERICANS ARE REALLY INTERESTED IN LIMITING THE INFLUENCE OF A CERTAIN OTHER BIG POWER IN THE REGION, PERHAPS THEY SHOULD START TALKING TO US."

QUINN-JUDGE EXPLAINS OTHER BIG POWER IS USSR, WHICH UP TO NOW HAS BEEN CLOSE ALLY OF VN. HOWEVER, HE BELIEVES, HANOI HAS CAST WARY EYE ON RECENT MOSCOW/BEIJING TALKS. SECOND ROUND OF WHICH OPENED THIS WK IN MOSCOW.

QUINN-JUDGE THINKS, IF VN WORRIED ABOUT ITS SOVIET TIES, FEELING IS SHOWING IN ITS TENTATIVE EFFORTS DIVERSIFY ITS FON RELS. SAYS THESE EFFORTS HAD BEGINNING IN HANOI LAST

WK WHEN FONMIN THACH ANNOUNCED HIS GOVT/PE-APLES HAD DECIDED WITHDRAW 2ND BATCH OF VIET TROOPS FROM CAMBODIA THIS YR. REPORTS THACH ADDED IN FUTURE THERE WOULD BE REGULAR PARTIAL WITHDRAWALS EACH YR IF SECURITY SITUATION ALLOWS. SUGGESTS VIET OFFER SEEMS PARTIAL RESPONSE TO DETAILED PLAN CHINESE PRESENTED SOVIETS DURING 1ST ROUND OF SINO-SOVIET TALKS IN BEIJING LAST OCT--AT WHICH TIME CHINA SAID IF VN WOULD AGREE IN PRINCIPLE TO PULL TROOPS BACK UNCONDITIONALLY FROM CAMBODIA, NORMALIZATION TALKS BETWEEN BEIJING/HANOI COULD BEGIN IMMEDIATELY.

QUINN-JUDGE BELIEVES TROUBLE IS THAT VIETS' WITHDRAWAL IS CONDITIONAL; THEY WON'T BRING ALL MEN HOME UNTIL BEIJING AGREES END ALL AID FOR ANTI-VIET COALITION. THINKS HANOI ALSO CLEARLY CONSIDERS CHINA'S OTHER MAIN DEMAND -- NEUTRAL CAMBODIA -- AS TOTALLY "OUT OF THE QUESTION." SUGGESTS PERHAPS BECAUSE OF THIS, CHINA DISMISSED VIET UNCLASSIFIED

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IDEA OF TROOPS WITHDRAWALS AS "HOAX." HOWEVER, HE BELIEVES, CHINESE CALL ON VN TO MAKE "JOINT EFFORTS" WITH PRC TO OVERCOME OBSTACLES TO BETTER RELS SUGGESTS BEIJING STILL SEES SOME CHANCE OF IMPROVEMENT. BUT WHETHER REJECTED OR NOT, HE ADDS, VIETS APPARENTLY EXPECT THEIR SOVIET ALLIES DISCUSS NEW PROPOSALS WITH CHINESE IN COURSE OF PRESENT TALKS.

QUINN-JUDGE SEES MOSCOW AS HAVING EVERY REASON BE PLEASED WITH VIET INITIATIVE. QUOTES WELL-INFORMED SOURCE IN

HANOI THAT FOR LAST 6-7 MONTHS (SINCE 1ST ROUND OF SINO-SOVIET TALKS, QUINN-JUDGE POINTS OUT) MOSCOW HAS BEEN URGING INDOCHINA ALLIES MAKE JUST THIS SORT OF GESTURE TO BEIJING. REPORTS SOURCES SAY MOSCOW WOULD LIKE SEE HENG SAMRIN'S ARMY TAKE OVER MOST RESPONSIBILITY FOR SECURITY INSIDE CAMBODIA BY '85. QUOTES NON-COMMUNIST SOURCES THAT PP'S ARMY REPORTEDLY HAS ABOUT 48,000 MEN/IS SAID BE RECEIVING ABOUT 25-MIL-DOLS PER YR IN SOVIET AID. SAYS SOVIETS ARE REPORTEDLY USING PERSUASION RATHER THAN PRESSURE ON VIETS, POINTING OUT '85 WILL BE IMPORTANT YR FOR VN -- 40TH ANNIVERSARY REVOLUTION AGAINST FRENCH/10TH ANNIVERSARY CAPTURE OF SAIGON. NOTES NUMBER MAJOR SOVIET AID PROJECTS ARE DUE BE INAUGURATED THAT YR. QUOTES SOURCE THAT SOVIETS SUGGESTS VIETS ROUND OUT YR BY DECLARING SITUATION IN KAMPUCHEA NORMALIZED.

ACCORDING QUINN-JUDGE, VN IS APPARENTLY DUBIOUS ABOUT RIGID TIMETABLE. NEVERTHELESS, CITES REPORTS HANOI SUGGESTING VN ALREADY GIVING PP'S TROOPS LARGER ROLE PLAY IN MIL OPERATIONS. QUOTES INFORMED SOURCES THAT VIET

TROOPS ARE BEGINNING REPLACE VIETS ALONG MOST OF THAI-CAMBODIAN BORDER/THAT IN MANY PLACES VIET SOLDIERS ARE MOVING 10-15 MI AWAY FROM FRONTIER. HOWEVER, HE ADDS, VIETS DO KEEP ADVISORS IN KHMER UNITS DOWN TO UNCLASSIFIED

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PLATOON LEVEL.

QUINN-JUDGE CONCLUDES VIETS DON'T SEEM TOO CONCERNED OVER CHINA'S NEGATIVE REACTION TO THEIR PROPOSAL. POINTS OUT VIETS TOUGH/STUBBORN, DON'T SWITCH UNTIL THEY BELIEVE IT WORTH THEIR WHILE. ADDS, EVEN IF THERE MOVEMENT TOWARD RECONCILIATION BETWEEN VIETS/CHINESE, IT WON'T BE OVERNIGHT. POINTS OUT THERE NUMBER OF DISPUTES BETWEEN THEM BESIDES CAMBODIA; CITES DISAGREEMENT OVER OWNERSHIP OF 2 ISL GROUPS IN S CHINA SEA/DELINEATION OF POTENTIALLY OIL-RICH GULF OF TONKIN AS 2 EXAMPLES. ALSO OBSERVES REGARDING THESE DISPUTES, AS VIET OFFICIAL POINTED OUT, CHINESE BORDER TALKS WITH INDIA HAVE BEEN GOING ON FOR 20 YRS WITHOUT AGREEMENT/CHINESE ARE "JUST BEGINNING TO THINK ABOUT DISCUSSING BORDER PROBLEMS" WITH RUSSIANS THAT DATE BACK TO 19TH CENTURY.

#### 10. MALAYSIA

BALTSUN (2/26 EDIT) CITES REMARKS BY PM EXPLAINING WHY AMERICANS/EUROPEANS LOSING OUT IN SO MANY FIELDS TO JAPANESE/KOREANS; THEY LAZY PM SAID/HAVE FORGOTTEN VALUE OF WORK ETHIC THAT ENABLES NATIONS OVERCOME LACK OF KNOWLEDGE/RESOURCES. GOES ON TO QUOTE MAHATHIR THAT

"APPRECIATING" VALUE OF HARD WORK "DOES NOT NECESSARILY MEAN 'PRACTICING' IT"/THAT NATIONS WANTING RESPECT MUST WORK HARD TO GET IT.

SUN FINDS ALL PM'S REMARKS INTERESTING, BUT "HAS THE IMPRESSION" MAHATHIR WAS REALLY TALKING MORE TO MALAYSIANS THAN TO WESTERNERS.

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#### 11. INDONESIA

AP (WASHTIMES JAKARTA) DISCUSSES PRESS CONTROLS IN INDONESIA. CITES ACRONYM INVENTED BY SECURITY CHIEF SUDOMO, "SARA," TAKEN FROM 1ST LETTERS OF INDONESIAN WORDS, MEANING TRIBE/RELIGION/RACE/POL. STRIFE

OFF-LIMITS TO JOURNALISTS SAYS "SARA" TOGETHER WITH  
SELF-CENSORSHIP SYSTEM AMONG INDONESIAN JOURNALISTS/PRESS  
LICENSING/POLICE INTERROGATIONS/APPEALS TO PATRIOTISM  
SERVE TO KEEP PRESS "FREE AND RESPONSIBLE" -- INDONESIAN  
STYLE. STATES INDONESIAN EDITORS/REPORTERS MUST ANSWER TO  
SEVERAL GOI AGENCIES, ALL EQUIPPED WITH PANOPLY OF  
SANCTIONS RANGING FROM BAN ON PRACTICING JOURNALISM TO  
CHARGE OF SUBVERSION, WHICH CARRIES DEATH PENALTY. NOTES  
GOI OFFICIALS HOLD OFF-RECORD PRESS BRIEFINGS TO REGALE  
PRESS WITH DETAILS OF NEWSWORTHY EVENTS THAT CAN'T BE  
PUBLISHED.

ACCORDING AP, SECURITY OFFICIALS MAKE SURE EDITORS  
UNDERSTAND DISTINCTION BETWEEN FREEDOM OF  
EXPRESSION/PATRIOTISM BY REMINDING THEM BY PHONE THAT  
CERTAIN ITEMS AREN'T FIT TO PRINT. SAYS PARAMOUNT AMONG  
BANNED TOPICS -- THOSE DEEMED "CONTROVERSIAL" OR "LIKELY  
TO TRIGGER UNREST" -- ARE DIRECT CRITICISM OF SUHARTO'S  
FAMILY OR CLOSE ASSOCIATES.

AP CITES NEW LAW EMPOWERING INFO MIN TO WITHDRAW LICENSE  
OF PUBLISHING GROUPS THAT DEFY SELF-CENSORSHIP RULES/TO  
CLOSE ALL PUBLICATIONS IN GROUP IF JUST 1 GROUP MEMBER  
PRINTS "CONTROVERSIAL ARTICLE." QUOTES PUBLISHER: "THERE  
ARE HUNDREDS OF PEOPLE WORKING FOR OUR GROUP. I CANNOT  
TAKE THE RESPONSIBILITY OF PUTTING THEM ALL OUT OF  
WORK." AP POINTS OUT THAT EVEN WITHOUT SUCH LAW, GOI  
SHUT DOWN 10 PAPERS IN '74/CONFISCATED PRESS CARDS OF  
JOURNALISTS, WHO BANNED FROM RETURNING TO THEIR  
PROFESSION TO THIS DAY; NOTES 10 PAPERS NEVER REOPENED.

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AP SAYS POLICE HAVE RIGHT TO SUMMON/INTERROGATE NEWS  
REPORTERS/EDITORS SUSPECTED OF COMMITTING SLANDER OR  
DEFAMATION. BUT BELIEVES WORST THREAT OF ALL IS CHARGE  
OF SUBVERSION.

ACCORDING AP, FON PRESS IN INDONESIA HAS LIMITED ACCESS  
TO INFO, THOUGH FON JOURNALISTS DON'T GET DIRECT PRESSURE  
FROM AUTHORITIES.- INSTEAD, AP SUGGESTS, GOI PREFERS  
SIMPLY TO REFUSE VISA EXTENSIONS OF "UNFRIENDLY"  
JOURNALISTS.

AP NOTES, DESPITE PRESS RESTRICTIONS -- INCLUDING  
BLACKING OUT OF "CONTROVERSIAL" ITEMS IN FON PUBLICATIONS  
-- INDONESIANS ARE AVID NEWSPAPER/PERIODICAL READERS.  
CITES 50 PCT INCREASE IN NEWSPAPER CIRCULATION  
NATIONWIDE, FROM 2 TO 3 MIL DAILY, IN PAST 2 YRS. DAM